

# DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET



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The Michigan Department of Technology, Management and Budget (DTMB) provides financial administrative and technology services and information to Michigan's state agencies, citizens and businesses as well as local governments and universities on a voluntary basis. With 2,700 employees, DTMB handles more than 42 managed facilities, 6.7 million square feet of leased space, 800 critical business applications, some 56,000 desktops as well as four retirement plans that serve one in 18 Michigan residents. DTMB is also responsible for state government's entire procurement portfolio of 1,200 contracts exceeding \$16.5 billion (\$3.9 billion annually).

Michigan is in a unique position given our fully unified services structure, advanced IT infrastructure and long-standing trust relationships across typical government boundaries. Another key asset is a new appropriation of \$47 million ongoing base funding for information technology. Approved in June 2012, these funds were made available in October 2012 and are being used to modernize state legacy systems, enable increased online and self-service for Michigan's state employees and the people we serve.

Building on this strong foundation, DTMB is laser-focused on placing the customer at the center of government service. No longer should customers have to understand how government is organized to get the services they need; through online channels and a one-stop mentality, there should be no "wrong door." While Michigan's opportunities in this arena are significant, they are tempered by budget and workforce constraints and will require continued investment in strengthening partnerships, a thorough understanding of business needs and relentless pursuit of excellence.

DTMB is a recognized model of governmental operations. Michigan's consolidation of IT with management and budget operations is considered a national best practice for using technology to transform and improve government. In October 2012, national rankings from the Center for Digital Government in conjunction with Government Technology magazine once again placed Michigan as one of only two states at the "A" level. The survey, conducted every two years, is the nation's most recognized and respected study of its kind.

The department derives its legal authority from the Management and Budget Act, Act 431 of 1984, as amended, and several executive orders. It is the summation of the former Department of Administration, which was created by Act 51 of 1948, as well as functions that had been under the office of the governor, such as budgeting, that were transferred by Executive Order No. 1973-7. Executive Order 2009-55, issued December 30, 2009, and effective March 21, 2010, combined the former Departments of Management and Budget (DMB) and Information Technology (MDIT) into the Department of Technology, Management and Budget.

The **Director's Office** provides direct management and oversight for strategic planning, public information, enterprise security, and enterprise development. The critical functional areas within DTMB are outlined in the following paragraphs.

The **State Budget Office** is responsible for coordinating all Executive Budget activities, including development of the Executive Budget recommendation, presentation of the budget to the legislature and implementation of the budget after enactment. The **State Budget Director** is appointed by the governor and is a member of the governor's cabinet. The State Budget Director serves as the governor's advisor on fiscal matters and also oversees the state's accounting and payroll functions, the state's financial management system, the state internal audit responsibilities, and the collection and reporting of data about the performance of Michigan's public schools and students. The current director of DTMB also serves as State Budget Director.

The **Chief Information Officer (CIO)** reports to the DTMB Director and is responsible for the information technology services for state government. Functions overseen by the CIO include the following:

The **Cybersecurity and Infrastructure Protection (CIP)** is accountable to the DTMB Director for identifying, managing, and mitigating IT security risks and vulnerabilities within State of Michigan government computing. CIP is also charged with the oversight of disaster recovery planning, IT security risk management, IT security awareness and training, working with state agencies to assist with their security issues, and enforcement oversight of state security policies and procedures intended to maintain suitable levels of system and network security.

The **Customer Services** within DTMB serves as the liaison between the department and the individual executive branch agencies. This team is responsible for maintaining the technology business relationships between DTMB and its agency customers. The services include managing agency IT plans and ensuring the timely delivery of agreed upon IT services. The staff members work across all agencies to identify common technology needs — so that DTMB can leverage the state's IT resources, and thereby create cost savings while delivering more timely services. They oversee the operational management of more than 2,100 IT applications for state agencies.

The **Infrastructure and Operations** within DTMB provides for field services, telecommunications, data center services, enterprise architecture, office automation, and technical services. With over 58,000 laptops and desktops and 32,110 applications in operation, DTMB works to provide a single desktop environment that supports all the business needs of the different state agencies and departments. Field technicians across the state maximize end-user productivity by providing on-site support services to resolve computer problems and equipment failures. The department is responsible for the acquisition of hardware and software, as well as operational and technical support for a variety of mainframes and 3,741 servers. Other responsibilities include network management, phone systems, data storage, e-mail, and system monitoring.

The **Michigan Public Safety Communications System (MPSCS)** is housed within DTMB's Infrastructure Services Administration and serves as Michigan's primary communications system for emergency response personnel. With more than 241 towers, 54,000 radios, and covering an area of more than 58,000 square miles, the MPSCS is the largest single public safety communications system in North America. It provides interoperable voice and data communications for many of Michigan's first-responders and state government agencies.

The DTMB **Chief Deputy Director** oversees the management and administration aspects of the department. These functions include:

The **State Building Authority (SBA)** provides the capital financing to acquire, construct, furnish, equip, and/or renovate buildings for the use of the state, including public universities and community colleges pursuant to Act 183 of 1964. Since its creation, SBA has financed approximately 280 projects, approaching \$5 billion in construction costs. SBA bond issues permit the construction of needed capital outlay projects, which otherwise might be delayed or canceled due to state fiscal constraints, by spreading their costs over a portion of the project's useful life. In addition to capital outlay financing, SBA houses non-employee risk management functions for the state. It provides state agencies with commercial property, general liability, aviation, and builder's risk insurance, as well as other needed insurance coverage. The SBA also administers the state's Vehicle Self-Insurance Fund. The Vehicle Self-Insurance Fund covers liabilities arising from accidents involving the state vehicle fleet which numbers in excess of 10,000 vehicles.

The **Office of Retirement Services (ORS)** is an innovative retirement organization driven to empower customers for a successful today and a secure tomorrow. The Office of Retirement Services (ORS) administers retirement programs for Michigan's state employees, public school employees, judges, and state police. ORS serves over 530,000 customers, including 278,000 active and 256,000 retired members representing approximately one out of every 14 Michigan residents, including customers living in approximately one out of every 9 Michigan households. Within these systems, ORS administers 4 defined benefit pension plans, 2 defined contribution pension plans,

and one defined benefit plus a defined contribution plan with combined net assets of nearly \$50.54 billion. ORS is responsible for the 16th largest public pension system in the U.S., and the 48th largest pension system in the U.S. In fiscal year 2012, ORS paid out \$6.65 billion in pension and health benefits.

The Judges Retirement System was created under Public Act 234 of 1992. The Michigan Public School Employees Retirement System is administered under the provisions of Michigan's Public Act 300 of 1980. The State Employees Retirement System was created under the provision of Public Act 240 of 1943. Finally, the Michigan State Police Retirement System is operating under Public Act 182 of 1986. In fiscal year 2012, the market value of the Defined Benefit Plan assets totaled more than \$50.54 billion and over \$5.6 billion for the Defined Contribution/Deferred Compensation Plan.

**Procurement** provides both transactional and strategic sourcing services to state agencies for the acquisition of essential goods and services. They manage a portfolio of more than 1,200 multiyear contracts with suppliers valued at more than \$16.5 billion.

Through the administration of a competitive bid process coupled with renegotiation of existing contracts, Purchasing Operations has delivered more than \$769.2 million in cost savings and avoidance to the state since 2008.

Procurement continues to position itself as a leader among Michigan public entities through its award-winning cooperative purchasing program, MiDEAL. The program extends more than 325 of the state's contracts to participating public entities including cities, counties, townships, villages, school districts, intermediate school districts, nonprofit hospitals, higher education institutions, and community colleges. Not only does the cooperative leverage combine buying power to ensure the most beneficial pricing for goods and services, it also aims to ease the administrative cost and effort otherwise incurred by member entities in the procurement of such goods and services.

The **Facilities and Business Services** manages and maintains office buildings throughout the state of Michigan, providing parking and security services for the managed facilities. Facilities Administration also provides facility design and construction management services for state agencies and colleges and universities implementing infrastructure improvements and new construction projects. Facilities Administration strategically manages the state's portfolio of owned and leased space, providing agencies with services to meet changing space requirements, as well as handling land and surplus property dispositions.

**Financial Services** offers a broad range of services to DTMB operating units, including accounting services, departmental procurement and accounts payable processing, financial analysis, business planning, management level reporting, performance measurement and management, automated billings, data collection and interfaces, and contract/lease management. Financial Services also serves as audit liaison with the Auditor General's office. A key objective is the simplifying of costs through rated services for other state government agencies. Human Resources functions are included in this area, providing services important to employment in DTMB, including traditional human resource support, such as recruitment, classification, payroll and benefits, labor relations and leave administration. In addition, safety and health services, as well as human capital management, are managed within this area.

Other key business services provided by the DTMB include Vehicle and Travel Services (VTS), Federal Surplus, State Surplus, Records Management, Printing Services, Mail and Delivery Services, and Warehouse Services. VTS provides centralized fleet and travel services for state agencies and colleges and universities. The fleet inventory includes all motorized vehicles and off-road equipment for all departments except the Michigan Department of Transportation, and a small number owned by the Departments of Military and Veterans Affairs and Natural Resources. Printing Services offers a wide variety of design, printing, and bindery services. The Consolidated Print Center (CPC) provides high-volume mainframe and network print services to all state agencies.

Under Executive Order 2007-30, the **Civil Service Commission** operates as an autonomous entity under DTMB, with its administrative powers vested in the State Personnel Director, the commission's principal executive officer. The Civil Service Commission, through the State Personnel Director and staff, has overall responsibility for regulating conditions of employment for classified civil service workers in all of the departments of the executive branch of state government.

The **Office of the State Employer** carries out the central labor relations responsibilities as the employer of the state classified workforce and represents the governor, the executive branch departments and agencies, and the legislative auditor general in all employee relations matters. The office is also responsible for all activities associated with workers' compensation, long-term

disability, disability management, return to work, safety and health, health promotion, and employee services.

The **Office of Children's Ombudsman**, also housed within DTMB, was created by the legislature in 1994 as an autonomous entity. The Children's Ombudsman Act (PA 204 of 1994) provides that the office is responsible for monitoring and ensuring compliance with relevant statutes, rules, and policies pertaining to children's protective services and the placement, supervision, and treatment of children in foster care and adoptive homes.

